



CITY OF AUBURN

Planning Commission – Staff Report

Meeting Date: August 3, 2010

Prepared by: Adrienne Graham, Consulting Planner

ITEM NO. V-A

ITEM V-A : INTENT TO PERMIT DEVELOPMENT IN A MINERAL RESOURCE ZONE IN THE CITY OF AUBURN URBAN RESERVE

INTRODUCTION:

The City of Auburn is processing the Baltimore Ravine Specific Plan (BRSP) and Study Area Project (proposed project), which is proposed for the 406-acre Urban Reserve area situated in southwest Auburn. Portions of the Urban Reserve are classified by the State Geologist as MRZ-2b, “an area underlain by inferred mineral resources where geologic information indicated that significant inferred resources are present”. Development of the Urban Reserve would likely preclude future extraction of gold from the site. Pursuant to Public Resources Code Section 2762, the City must approve a Statement of Reasons for permitting development in the areas that are classified MRZ-2b, and provide the Statement to the California Division of Mines and Geology for review.

A draft Statement of Reasons has been prepared (see Exhibit A), and will be considered by the Planning Commission and City Council during consideration of the proposed project approvals.

PURPOSE OF HEARING:

The purpose of this item is to accept comments from the public regarding development within the identified mineral resource zone. Staff will provide a brief overview of the draft Statement of Reasons. Oral testimony will be accepted on the proposal to permit development within the mineral resource zone and/or the significance of the mineral resources within the Urban Reserve. No other action is requested at this time and no action will be taken by the Commission at this hearing. Additional review of the proposed project, including the Statement of Reasons, Baltimore Ravine Specific Plan, associated approvals (e.g., rezoning, development agreement), and the Environmental Impact Report will occur at a future Planning Commission hearing.

Public comments on the draft Statement of Reasons will be accepted until 5pm, Monday, August 9, 2010.

PROJECT INFORMATION:

Applicant: Stephen Des Jardins; Baltimore Ravine LLC; 130 Diamond Creek Place, Suite 1; Roseville, CA 95747; Phone: 916-786-8158; Fax: 916-786-5750; sld@dcpltd.com

Location: The plan area is generally bounded by Auburn-Folsom Road to the east, Interstate 80 to the north and northwest, the westbound Union Pacific Railroad (UPRR) track to the south, and the City/County boundary to the west. Approximately two-thirds of the Urban Reserve is designated MRZ-2b (Figure 2 in Exhibit A).

Project Size: 406 acres

Zoning: Agricultural Residential (AR), Agricultural Residential/Mineral Extraction (AR-ME), Single-Family Residential (R1-10), Single-Family Residential/Mineral Extraction (R1-10/ME)

General Plan: Urban Reserve (UR)

Existing Land

Uses: 14 residences

Surrounding Land

Uses: North: Interstate 80, industrial uses, rural residences
South: Residential subdivisions, Union Pacific rail line
East: Residences, Auburn Recreation District
West: County rural residences

BACKGROUND

Portions of the Urban Reserve were mined historically, but no mining activity has occurred there since the 1940s. The Urban Reserve is within the Ophir District, a noted gold-bearing quartz vein system situated between Auburn and Gold Hill. The quartz veins were known for small but rich pockets of gold.

The California Department of Conservation evaluates land for potential mineral resources, and classifies lands that have been evaluated as Mineral Resource Zones (MRZ), which are segregated into MRZ-1, MRZ-2a, MRZ-2b, MRZ-3a, MRZ-3b, and MRZ-4, based on the presence, absence, or likely occurrence of mineral deposits. The Urban Reserve contains MRZ-2b, MRZ-3a, and MRZ-4 areas, which are defined as follows:

MRZ-2b. Areas underlain by inferred mineral resources where geologic information indicated that significant inferred resources are present. Areas classified MRZ-2b contain discovered deposits that represent inferred reserves or deposits that are presently subeconomic as determined by limited sample analysis, exposure, and past mining history. Further exploration work and/or changes in technology or economics could result in upgrading areas classified MRZ-2b to MRZ-2a.

MRZ-3a. Areas underlain by geologic settings within which undiscovered mineral resources similar to known deposits in the same producing district or region may be reasonably expected to exist (hypothetical resources). Land areas classified MRZ-3a are underlain by geologic setting which are favorable environments for the occurrence of specific mineral deposits. In the McKelvey diagram, these are referred to as hypothetical resources. Further exploration work within these areas could result in the reclassification of specific of specific

localities into the MRZ-2a or MRZ-2b categories.

MRZ-4. Areas where geologic information does not rule out either the presence or absence of mineral resources.

Public Resources Code Section 2762 contains specific actions that must be taken if a change in land use is proposed that could result in the availability of a known mineral resource, such as the MRZ-2b zone that covers the majority of the Urban Reserve. Specifically, prior to permitting a use which would threaten the potential to extract minerals, the City must prepare a statement specifying its reasons for permitting the proposed use, and must forward a copy to the State Geologist and the board for review.

A notice of intent to adopt the draft Statement of Reasons was sent to all property owners within one-half mile of the Urban Reserve. Staff received several phone calls requesting clarification of the purpose of the notice. No comments on the draft Statement of Reasons have been received to date.

DRAFT STATEMENT OF REASONS

As required by PRC Section 2762, the City has prepared a draft Statement of Reasons for permitting development of the site. The City's Statement of Reasons for allowing the project to proceed even though mineral resources are present is summarized below, and provided in full in Exhibit A:

- Mining activities would be incompatible with the residential areas that surround the Urban Reserve due to noise, dust, traffic and other nuisances.
- The Urban Reserve's economic value as a mineral resource is limited, and the loss of the resources present within the Urban Reserve would not have an adverse economic effect on the County, the City or the region.
- There is no indication that mining would occur on the project site if it were to remain undeveloped.
- The Urban Reserve is the only large contiguous area available to accommodate growth in the city, because the remainder of the city is largely built out. The Urban Reserve has been recognized as a potential area for development for several decades.
- Development of the BRSP as proposed would assist the City in meeting its affordable housing goals. The Specific Plan was identified in the City's Housing Element as a means to achieve its housing affordability goals.

The Draft EIR for the BRSP and Study Areas project evaluated the potential loss of mineral resources due to development of the Urban Reserve, and found that development of the MRZ areas would not be significant (see pages 5.5-28, -29 and -31 of the Draft EIR).

EXHIBIT

- A. Draft Statement of Reasons

DRAFT STATEMENT OF REASONS TO PERMIT DEVELOPMENT IN A MINERAL RESOURCE ZONE IN THE CITY OF AUBURN URBAN RESERVE AND FINDINGS BASED THEREIN

Submitted by: The City of Auburn

Pursuant to Section 2762 of the California Public Resources Code

Introduction

The City of Auburn is the lead agency for review of the proposed Baltimore Ravine Specific Plan and Study Areas project (Project). The location of the project is shown on Figure 1. Portions of the project site have been classified by the State Geologist as MRZ-2b, “an area underlain by inferred mineral resources where geologic information indicated that significant inferred resources are present”. [Source: Open-File Report, page 83-37]. The project site does contain remnants of historic gold mining operations.

The Project proposes land uses that include high density residential, low density residential with high unit value and commercial, which are identified as land uses that are incompatible with mining in Title 14, California Code of Regulations, Section 3675. Therefore, pursuant to California Public Resources Code Section 2762(d), the City of Auburn, as lead agency, must prepare and submit this Statement of Reasons prior to permitting the Project.

Although the State Geologist has concluded that significant inferred gold resources are believed to exist in the Ophir district¹, the district has not been designated by the Mining and Geology Board as an Area of Regional or Statewide Significance pursuant to Public Resources Code Section 2790 et seq. Because Public Resources Code Section 2763 is not applicable to the Project, it is not discussed in this document.

The City has concluded that the project site should be developed even though it has been classified as MRZ-2b for the following reasons:

1. Mining is Incompatible with Adjacent Land Uses

As shown on Figure 2 [Figure 5.5-4 of the BRSP DEIR], the MRZ-2b zone extends south of Interstate 80 over a portion of south Auburn, including the majority of the Project site, and is adjacent to unincorporated Placer County. The eastern and southeastern edges of the MRZ-2b zone include areas within Auburn that already have been developed with low-density residential uses. Rural residential development is located in the western portion of the MRZ-2b zone. Land uses immediately east and south of the zone have extensively developed. Because mining activities would already be incompatible with these developed areas due to noise, dust, traffic and other nuisances, the project site should be developed for non-mining uses.

2. The Mineral Resource within the Project Site is not Economically Important

The Project site’s economic value as a mineral resource is limited. The existing mining facilities have not been in use since the early to mid 1900s and are in disrepair, nor have there been any

¹ Department of Conservation, Division of Mines and Geology, DMG Open-File Report 95-10, Mineral Land Classification of Placer County, 1995, page 26.

known attempts to revive mining on the Project site since. The Auburn area contains a number of historic mines, as does greater Placer County, reflecting the region's once-active gold mining industry. However, mining no longer makes up a substantial portion of industrial activity in the county. For example, in 2004, Natural Resources and Mining composed approximately 0.1 percent of industrial activity in Placer County.² Because the likelihood of use of the property for mining purposes is so low, and because mining activity is not significant in the region, the loss of the resources present on the project site would not have an adverse economic effect on the County, the City or the region.

3. The Project Site is the Only Large Contiguous Area Available to Accommodate Growth in the City

The project site is the only large contiguous area available to accommodate growth in the City; the remainder of the City is largely built out. The project site has been recognized as a potential area for development for several decades. The project site is located in an area of the city designated by both the 1978 and the 1993 General Plans as Urban Reserve. The Urban Reserve designation recognizes that the area will eventually be developed, but requires a Specific Plan prior to development beyond the existing zoning. The development of the Specific Plan would provide up to 725 units, which would serve a substantial portion of the Citywide demand anticipated to occur over the next 20 years. Further, development of the Baltimore Ravine Specific Plan area would assist the City in meeting its affordable housing goals. The Specific Plan was identified in the City's 2008 Housing Element as a means to achieve its housing affordability goals.

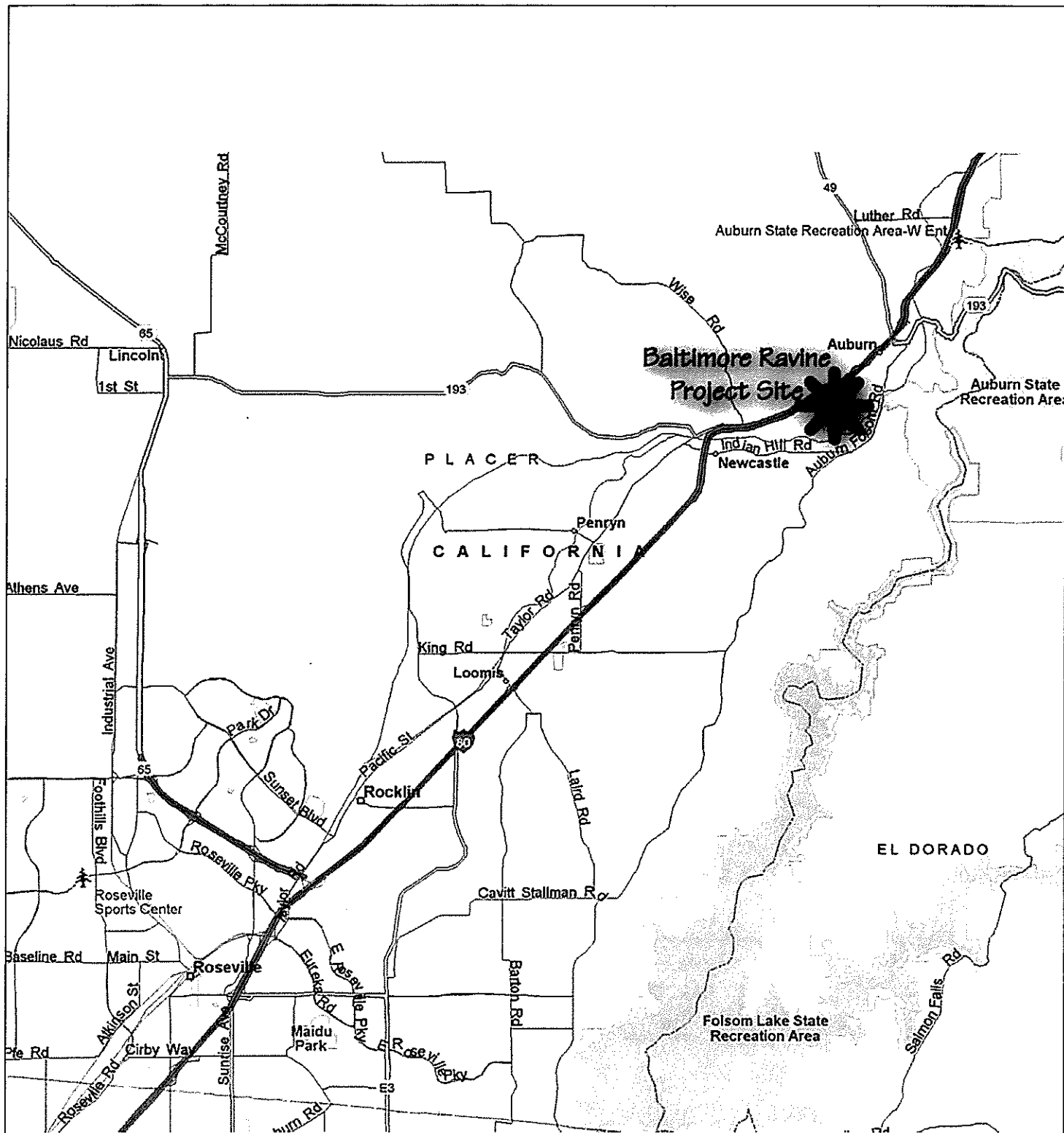
4. Commercial Mining at the Project Site is not Economically Feasible

There is no indication that mining would occur on the project site if it were to remain undeveloped. The City has not received an application to conduct any mining activities since the land has been within the City boundaries, even when gold prices rose. The City is unaware of anyone who has expressed interest in mining the site. Given the costs of mining, the surrounding land uses, and the likely value of the remaining gold reserves, it is unlikely that commercial mining activity would occur on the project site.

The project applicant considered extracting the remaining gold on the Project site prior to or instead of developing the property with residential and commercial uses. However, according to the applicant's geotechnical engineers, (see Figure 3, October 21, 2009 letter from Engeo, Inc.) it would not be commercially or economically viable to do so, because of the location of the site among residential areas, the need for deep shafts and off-hauling of secondary materials in order to obtain gold ores, and the difficulties of obtaining state and federal permits.

The potential loss of any valuable mineral resources could be partially mitigated given that the Project applicant may extract the trace amounts of gold that are present in the soils that are excavated during grading and excavation needed for project development, if such extraction is economically feasible. The extraction would be a secondary activity.

² Sacramento Regional Research Institute, *Placer County Industry Structure Study*, March 2006, Figure 1.



Source: Microsoft Streets and Trips, 2007.



FIGURE 1
Regional Location

100007145

Baltimore Ravine Specific Plan and Study Areas